IN THE HIGH COURT OF PUNJAB & HARYANA, CHANDIGARH

F.A.O NO.2043 of 2006 (O&M)
Date of Decision: May 14, 2007

BABITA & OTHERS

.....APPELLANTS

VERSUS

YOGESH KUMAR AND ANOTHER

.....RESPONDENTS

. . .

CORAM: HON'BLE MR. JUSTICE A.N.JINDAL

. . .

PRESENT:- Mr. Randeep Singh, Advocate for the appellants.

A.N.JINDAL, J (ORAL)

C.M.No.9860-CI/06

Application is allowed.

Delay of 46 days in refilling the appeal is condoned.

F.A.O No. 2043 of 2006

On the death of Attar Singh at the age of 35 years in a motor vehicular accident, the claimants/appellants being his dependents hereinafter referred to as the claimants were awarded compensation to the tune of Rs.4,18,000/-. The accident claims Tribunal assessed the monthly income of the deceased @Rs.3,000/- per month and dependency at the rate of Rs.2400/- per month.

The only grouse of the appellants is that they were awarded interest @ 6% per annum whereas the

appropriate interest to awarded should have been @ 7.5% per annum.

Having scrutinized the facts and circumstances of the case. It is observed that there is a serious fluctuation in the rate of interest as fixed by the RBI from time to time. Therefore, courts exercise their discretion accordingly. There is no hard and fast rule that a specific rate of interest was required to be awarded to the claimants. The safeguard is being adopted in order to check the delayed payments to the claimants. It is neither a commercial nor a contractual transaction over which the contractual rate of interest could be awarded. The Motor Vehicles Act has left it completely to wisdom and discretion of the Tribunal to exercise judicial discretion while awarding interest on the award amount.

Having examined the facts and circumstances of the case and the amount to be paid in lump sum which was to further incur interest the Tribunal appears to have exercised its judicial discretion in the right perspective, As such, I am hesitant to interfere with the said discretion exercised by the Tribunal at this stage.

Hence dismissed.

(A.N.JINDAL)
JUDGE

May 14, 2007

Ruchika